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LATIN AMERICA REVIEW

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Outlook for El Salvador

El Salvador's slow drift toward revolution could be speeded up by the violence in Nicaragua, particularly if a leftist regime emerges in Nicaragua. Because of this, Salvadoran President Romero might intervene in Nicaragua if the Sandinista guerrillas seemed on the verge of military victory and he believed he and the other Central American leaders could affect the outcome.

For the present, the Nicaraguan guerrilla successes are encouraging the terrorist and leftist front groups that are beginning to fill El Salvador's political void. President Romero is slowly proving himself to be the heir to the historical military obsession with repressing a political opposition that is viewed as subversive. El Salvador may continue its sporadically violent course, but a major conflagration could easily be sparked.

El Salvador, the smallest country in Central America, presents a classic backdrop for unrest. Its extremely high population density equals that of India, and its wildly uneven income distribution, essentially one-crop economy, and lack of social mobility have all helped brutalize the society. The armed forces imposed an artificial political system in 1961, and for the last decade, military rulers in conjunction with the economic elite have used fradulent elections and repression to maintain the status quo.

The military is characterized by insularity and extreme conservatism. It is intent on stifling any hint of political activity in the countryside because of its vivid institutional memory of the 1932 peasant uprising that left an estimated 14,000 people dead. Most of the population deeply distrust the security forces. Military personnel, motivated by personal and political profit, are probably responsible for some of the current kidnapings and terrorist incidents. While there are some more progressive individuals in the armed forces and oligarchy, they have been too few, too scattered, and too timid to have any meaningful impact on policy.

The 16-month-old administration of President Romero-a former general-has compiled a record, at best, of half-hearted efforts. Most people in El Salvador are convinced that Romero's early professions of good intentions were a sham.

- -- He lifted the state of siege, but within a few months passed an onerous Law of Public Order granting broad powers of detention and denying recourse to trial by jury.
- -- He publicly invited exiles to return but still enforces a ban against some of them.
- -- He initiated a dialogue with the political opposition but made no concessions whatever, and the talks went nowhere.
- -- He ostensibly sought to patch up the churchstate rift, but then publicly accused the clergy of sponsoring antigovernment violence; relations are now at an all-time low.

Rising Terrorism

Combined with past fraud at the polls, these policies have shunted legitimate political opposition to the sidelines and left a vacuum now being filled by growing leftist and terrorist groups. Although our estimates are imprecise--partly because of the efficient compartmentalization of the terrorists--the three principal guerrilla groups probably number about 700 hardcore militants, with the Popular Liberation Forces accounting for about 600 of these. This group, which can also probably call upon about 2,500 supporters with varying degrees of commitment, has doubled in size over the last year and is now larger than the Nicaraguan Sandinista organization before its surge of recruitment over the last few months.

El Salvador's terrorists have compiled a series of dramatic successes against the security forces, are beginning to make political inroads, and are increasing ties with other Central American groups and Cuba. The principal guerrilla organization may have accumulated

as much as \$9 million in ransoms over the last two years, while total kidnap revenue by all groups for the period is estimated at \$26 million.

Making good use of its financial resources, the Popular Liberation Forces organization has gradually established firm control over the increasingly leftistoriented Popular Revolutionary Bloc, an amalgam of peasant, labor, and student-teacher organizations. With a membership estimated in excess of 60,000, the Bloc is the largest confederation in the country and is still growing. The Bloc stages public demonstrations and work stoppages and distributes propaganda; it also provides an obvious source of future terrorists.

A series of terrorist bombings, assassinations, and attacks on police posts last month brought El Salvador to a new peak of violence. The guerrilla successes in Nicaragua contributed significantly. The terrorists were impelled by a sense of solidarity, the prospect of sparking revolution at home, and the aim of tying down security forces that might otherwise aid Nicaraguan

President Somoza's forces.

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Even without the example of Nicaragua, the Romero government's control has shown signs of unraveling. frustrations have mounted, the populace has become more receptive to Communist and leftist propaganda. A series of serious clashes between peasants and security forces earlier this year demonstrates the increasing militancy in the countryside. Following these clashes, both proand antigovernment groups have continued to recruit actively, practically guaranteeing further confrontations.

Rural and urban groups alike are increasingly staging demonstrations in support of their demands at the same time that antigovernment forces are acquiring more weapons.

Outlook

El Salvador could limp along with sporadic flareups of violence; the Salvadoran poor have stoically endured hardship for years, and the majority may continue to do so. If frustration erupts into violence, the government can defend itself with more men, more weaponry—and probably more brutality—than the terrorists and their followers.

President Romero has incurred the anger of some of his important rightist supporters for failing to take a tougher line, making it likely that the government would react to serious violence with harshly repressive countermeasures. If Romero is unequal to the task, a rightist coup would probably replace him. The possibility of spiraling violence that would lead to a full-fledged rebellion is a growing danger. The extremist opposition still lacks leadership and cohesion, but both could develop quickly in a deteriorating situation.

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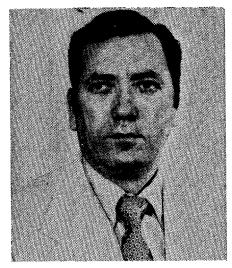
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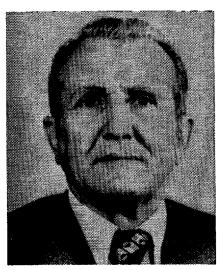
Cuba: Vice President of the Council of Ministers Replaced

Belarmino Castilla Mas, who has been linked closely to Raul Castro for the past 20 years, was removed Early this month from his position as vice president for education, science, and culture of Cuba's Council of Ministers. He apparently has retained his membership on the party's Central Committee and on the Council of State--Cuba's highest organ of government. Despite some problems that have appeared recently in the field of education, the evidence so far indicates that he was removed because of health problems--as announced in the Cuban press--and not for political reasons.

With the exception of the first vice president, each of the nine vice presidents of the Council of Ministers is responsible for a certain sector of the government. Castilla Mas, for example, had under his direction the Ministry of Education, the Ministry of Higher Education, the State Committee for Science and Technology, the Cuban Academy of Sciences, the National Institute for Sports, Physical Education, and Recreation, the Cuban



Belarmino Castilla Mas



Jose Ramon Fernandez Alvarez

Institute for Television and Radio Broadcasting, and the Infancy Institute. He thus played a major role in carrying out the party's education policy and in administering the Cuban educational system.

Castilla Mas was replaced by Jose Ramon Fernandez Alvarez, formerly the Minister of Education. Fernandez Alvarez' wife, Asela de los Santos, was in turn promoted from Vice Minister to Minister, filling the post vacated by her husband. Like Castilla Mas, de los Santos was a member of Raul Castro's guerrilla forces in eastern Cuba during the revolutionary war against Batista in 1958. At that time, she served on Raul's staff as chief of his Department of Education, establishing schools in the areas "liberated" by the guerrillas. After the revolution succeeded, she worked in the Armed Forces Ministry and eventually was placed in charge of the nationwide system of military schools for children 12 to 17 years old who had been orphaned by the war.

Fernandez Alvarez, on the other hand, was a professional military officer in Batista's army until he was jailed with a number of other officers for plotting Batista's overthrow. Released from prison as soon as Batista fled on 1 January 1959, Fernandez Alvarez became the main architect of the Castro regime's military establishment, overseeing the transition of Castro's rebel army from a conglomeration of loosely organized guerrilla bands into one of the largest and most powerful armed forces in Latin America today. His rise in the Armed Forces Ministry culminated in his appointment as Vice Minister for Training in February 1969 after having served for about seven years as chief of the General Staff's combat preparation directorate. Although he attended US Army schools at Fort Sill, Oklahoma, and Fort Benning, Georgia in the 1950s, he reportedly became embittered against the US for its failure to act against Batista.

As did Fernandez Alvarez and de los Santos, Castilla Mas saw lengthy service in Raul Castro's Armed Forces Ministry, serving for over seven years as vice minister. In this capacity he played a leading role in Raul's efforts to militarize Cuban society in the late 1960s when

he supervised the absorption by the military establishment of large segments of the education system at the high school level. When then Education Minister Armando Hart was found incapable of expanding the national school system sufficiently to accommodate all Cubans of school age, Castilla Mas "retired" from military service and was named--in July 1970--to replace him.

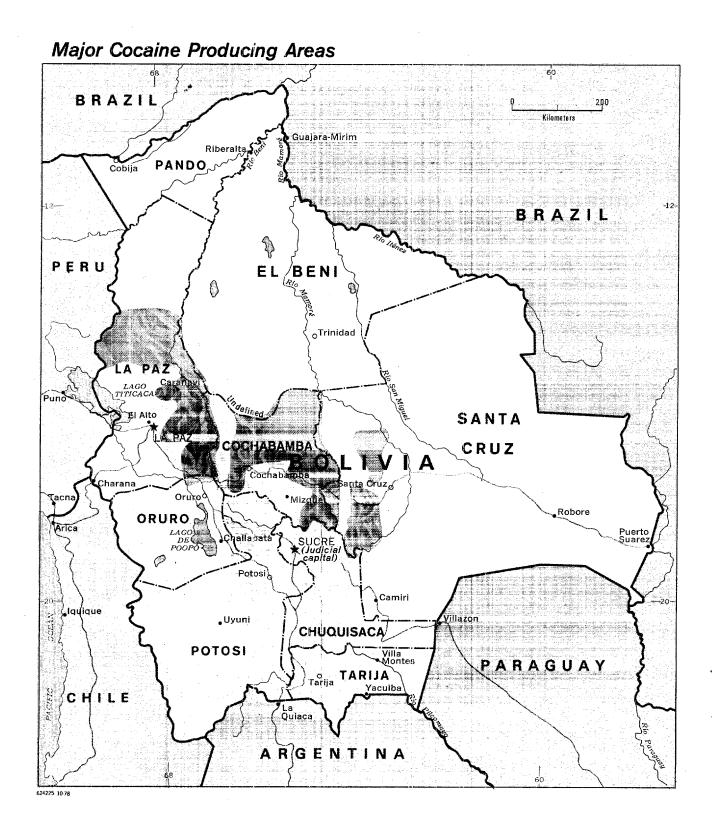
To assist in a complete revamping of the Ministry Castilla Mas brought with him Fernandez Alvarez and his staff, including de los Santos and Enrique Borbonet, another Batista military officer who had been jailed for plotting. This marked the beginning of a wholesale shift of disciplined organizational talent from the upper levels of the Armed Forces Ministry to top positions in the civil administration—the influx of military men also took place in a number of other ministries and government offices—and eventually prompted sharp criticism of increasing regimentation from a number of observers abroad who had long been considered friendly to the Castro regime.

In a major reorganization of the government in November 1972, Castilla Mas' duties were expanded to include culture and science as well as education, and he was succeeded as Education Minister by Fernandez Alvarez. Now, six years later, he has again been succeeded by Fernandez Alvarez. If Castilla Mas had lost his vice presidential post because of poor performance, it is highly unlikely that Fernandez Alvarez, de los Santos, and Borbonet would have been kept on, let alone promoted. The careers of all four have been linked closely for many years, and if recent cheating scandals and promotion-rate problems had precipitated Castilla Mas' removal, the other three most likely would have been replaced, too. Moreover, Fernando Vecino Alegret, who served in Castilla Mas' column in the guerrilla war and was close to both Castilla Mas and Fernandez Alvarez in subsequent years in the Armed Forces Ministry, would have been removed as Minister of Higher Education.

In addition, were Castilla Mas in disgrace for some personal failing not related to his official capacity, he hardly would have retained his seats in the Central

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| <i>y</i> | Committee and Council of State. Although we have no evidence that he has been suffering from any particular malady, a Cuban Government representative in mid-October echoed the official explanation, claiming that Castilla Mas had had difficulty coping with his workload due to his health. The official denied that policy problems were involved and said that Castilla Mas' problem was "overwork" or "exhaustion." | 25X1 |
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been forced to put off its expansion plans at precisely the time when they are most needed. Moreover, the agency has lost its progressive and dynamic leader, Colonel Aparico, whose promotion has left a significant gap in experienced leadership.

A Pivotal Point

The drug trade in Bolivia--principally the growing of coca leaves and the export of raw "cocaine paste"-- is still small enough to be reduced substantially without severely damaging the national economy. Given the present growth rate of coca cultivation and cocaine manufacture, however, in as few as five years the illicit drug industry could form an integral part of the Bolivian economy--as is the case in Colombia. It may have already reached that stage in the local economies of the Yungas and Chapare regions--where most coca is cultivated.

Also, as in Colombia, Bolivian traffickers have developed spheres of influence among local government officials, police, judges, and prosecutors. These relationships are becoming more pervasive and permanent, affording the traffickers virtual immunity from the law.

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Bolivia: Crucial Period Ahead for Drug Control

In recent years international attention has focused on Bolivia as one of the principal sources of South American narcotics. At the same time, officials in La Paz, with urging from Washington and promises of US support, began to express increased interest in implementing crop substitution and other drug control programs. In spite of corruption, weak law enforcement, and an inefficient judicial system, there were relatively optimistic prospects for Bolivian drug control. That optimism stemmed in large part from the sense of political stability and economic progress under President Banzer, a leader whose unprecedented seven-year rule brought an end to decades of bloody revolutions and political turmoil.

His peaceful overthrow by General Juan Pereda several months ago has disrupted this sense of continuity. The resulting political and economic uncertainty, coupled with a number of other constraints against drug enforcement, raise serious concern for the future effectiveness of Bolivia's narcotics control program.

The New Climate

General Pereda has been unable to form a strong, unified government since taking over the presidency in the aftermath of last July's abortive election—a political contest that was voided because of fraud and a short—lived coup instigated by the Air Force. The new President does not have widespread support from either the military or the political parties. He is vulnerable and could face a major challenge to his leadership at any time. The political tensions inherent in this situation have been heightened by a payments deficit, inflation, and other economic problems.

Bolivia's economic problems have prevented the government from funding the Departmento de Narcoticos y Substancias Peligrosas—the principal agency charged with narcotics control. The narcotics agency has therefore

25X1 Although they are not politically powerful, the coca growers have begun organized resistance to government crop eradication and substitution programs. ers--who for the most part are ordinary campesinos with strong cultural and economic ties to coca--distrust the central government's new crop regulation program under which all unregistered coca plantings are subject to destruction. La Paz is not permitting the narcotics agency to enforce the coca ban, however, because it fears a violent reaction from the coca farmers. The drug control effort in Bolivia is at a pivotal point. If Pereda can consolidate his political forces and restore the nation's social and economic balance, then the government will probably continue to pursue a program that is of considerable interest to the US. If, as appears more likely, Bolivia returns to the "successive coup" atmosphere of the pre-Banzer days or fails to take action against official corruption, then its drug control accomplishments to date will be largely nulli-25X1 fied. 25X1

Raul Castro, possible successor to Fidel



Cuba: After Fidel--A Hypothetical Look

Raul Castro, Fidel's younger brother, will assume leadership of the Cuban Government and people when Fidel Castro retires or dies. The Cuban people expect this, and the transition will be smooth and swift. Raul holds leadership positions second to Fidel in the party, government, and military. He has the loyalty of the military and security forces personnel, many of whose leaders were with him in the mountains during the revolution—an experience that conditioned them to apply military concepts to the civilian bureaucracy.

Raul has a different personality from his brother, however, and the style of Cuban leadership would change drastically. Raul is not a consummate politician like Fidel, nor does he have the patience to charm visiting professors and heads of state. He will not make speeches mesmerizing a million Cubans in the Plaza de Revolucion, nor take trips around the island for people-to-people meetings, as Fidel is apt to do when he senses the Cuban people are questioning his policies. Fidel is the ultimate compromiser, who gets the most out of any negotiating session, but Raul lacks this penchant. In dealing with problems, Fidel sees grays while Raul sees black and In short, the Cuban people will have lost their charismatic leader in exchange for a dogmatic, hard-nosed organization man.

This talent for organization could be a real plus for the various Cuban bureaucracies when Raul takes charge. He is a good judge of people for specific jobs and is able to delegate authority—in contrast to Fidel, who enjoys getting personally involved in minutiae. Raul would probably preside over a gradual militarization of Cuban society and move many of his loyal military compatriots to important government positions. He would probably also enlarge the armed forces.

Cuban foreign policy would probably not alter drastically, but there would certainly be changes in emphasis

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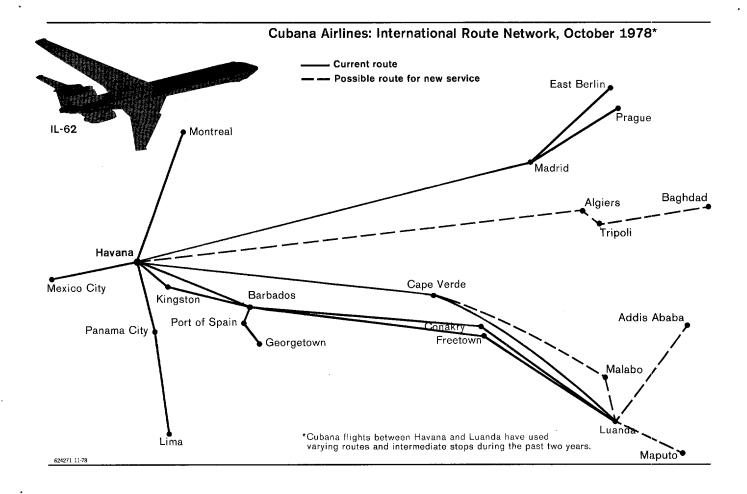
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and tone. Havana's close relationship with its Soviet benefactors is likely to increase in all areas, for example. Moreover, Raul and his coterie have always distrusted overtures from the US, so that bilateral relations would probably move into limbo. Although the Interest Sections would be allowed to remain in place, Raul would be much more likely to call his representatives home should there be a crisis (such as the Shaba invasion last spring, which led to a Carter-Castro debate in the press). Raul would also do everything possible to weaken the position of the US in the Third World, either by trying to provoke a US military response to Cuban initiatives or by continuing a propaganda campaign stressing US support for "colonial" regimes. Like Fidel, he would continue to push for the independence of Puerto Rico.

Although some of his military leaders might advise caution, Raul may be more bold and spontaneous than Fidel concerning overseas involvement. The expansion of the armed forces would give him an increased supply of young recruits for service in Africa or elsewhere. Given Raul's puritanical streak, he would regard the experience of young Cubans in a "trial by fire" as liberators in Africa as a character-building experience. Raul the disciplinarian would also be pleased to have so many youths "employed" and therefore off the streets of Havana. If the Rhodesian situation were still unsettled, he would probably be eager to get Cuba more heavily involved, but-like Fidel -- he realizes he must keep Cuba in step with Soviet policies so that the USSR will continue to underwrite the economic costs of Cuban involvement in Africa and elsewhere.

Military commitments overseas could eventually create domestic problems for the new president. The Cuban people presently have little or no idea of casualty totals, but if these increase significantly, "Radio Bemba" (the effective islandwide grapevine) would get the word out. This problem could be compounded if the Cuban people come to realize how badly the economy is doing. When discrepancies now appear between the realities and what the average Cuban is told by his government, Fidel is able to convince the people that they

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are locked together in a struggle and that they must carry it through. The stern Raul will not be able to manipulate the population so effectively.

Dealing with domestic discontent will be Raul's greatest challenge. With the military firmly in his grasp, however, he will have the means to enforce laws or keep an eye on dissenters. He may restore "vigilance for counterrevolutionary activity" as the number-one priority of the Committees for the Defense of the Revolution instead of their present task of keeping tabs on individuals to make certain they meet their obligations for volunteer work and other services. He may turn the Youth Labor Army into a repository for the disenchanted who become too vocal, along the lines of the infamous Military Units for Aid to Production, which were dissolved in the early 1970s after complaints from relatives of men picked up at random during a "conscription" sweep.

In sum, under Raul Castro's leadership, Cuba will have closer ties to the USSR. Without the inspiration from Fidel Castro, economic conditions may continue to deteriorate, which could lead to a more repressive climate within Cuba. If Raul Castro is not able to deal with the dissension that may arise over time, organized opposition to his rule could develop.

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Cuba: Cubana Airlines Plans New Links to Africa and Middle East

Cubana Airlines, Cuba's national air carrier, plans to expand its network of international services to several countries in Africa--Algeria, Ethiopia, Equatorial Guinea, Libya, and Mozambique--as well as to Iraq and possibly at a future date Syria and South Yemen. Cubana has tentatively scheduled the new services to begin in

1,4,5,6 January 1979

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The expansion in airline service fits in with the extensive Soviet and Cuban involvement in African and Middle Eastern political and military affairs.

The New Services

Havana has not indicated any specific routes for the proposed service. We believe one possibility would be a Havana-Algiers-Tripoli-Baghdad flight, which might include a refueling stop in Las Palmas in the Canaries. As for Equatorial Guinea and Mozambique, the most likely route would be an intermediate stop at Malabo in Equatorial Guinea on the existing route to Luanda, with operations beyond to Maputo in Mozambique. Any formal service to Addis Ababa could operate as an extension of either the new service to North Africa or the present service to Luanda.

In addition to the broad Cuban military participation in the Horn and in southern Africa, relations between Havana and each of the countries to be served have warmed perceptibly in the past few years. The Castro government doubtless plans to use the new air link to Addis Ababa not only to rotate troops--many of whom will soon have completed a year's service in Ethiopia--but also to transport civilian advisers to Ethiopia. The

Cubans recently completed plans to establish a large technical assistance program in Ethiopia. Presumably, this will be patterned--perhaps on a smaller scale--on their program in Angola, where more than 7,000 Cuban civilian advisers are now serving. As part of its effort to strengthen ties with important radical states in the nonaligned movement, Cuba is also in the process of sending large numbers of public health and other technical specialists to Iraq and Libya and is expanding its development assistance to Mozambique.

While still relatively small, Cuba's economic relations with these countries have also increased over the past few years. For example, Cuban sugar exports to Algeria, Libya, Iraq, and Ethiopia have nearly quadrupled since 1974 to over 250,000 tons--about 15 percent of Cuba's total sugar exports to the world free market in 1978. In view of the glut of sugar on the world market and Cuba's serious shortage of hard currency, the larger sugar sales and the probable hard currency payments from at least the more prosperous Arab states for Cuban technical assistance combine to make Cuban economic interests in Algeria, Libya, and Iraq of increasing importance to the Castro government in the coming years.

Havana probably is optimistic in saying it intends to inaugurate all these services by January, especially to those countries where a route would require a time-consuming request for overflight rights. We do not know of any overflight requests by Cuba at this time.

Current Network

Cubana currently operates 14 scheduled international flights weekly to 15 foreign cities over a route network of 27,500 nautical miles. With Havana as the hub, the service features routes to Europe and the Caribbean, but includes flights to Canada and black Africa. In Europe, IL-62 flights operate three times a week to Madrid, one of the flights going beyond to East Berlin and another to Prague. A Havana-Montreal flight operates weekly, also using IL-62s.

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Service to Latin America includes weekly flights between Havana and Mexico City and between Havana and Lima via Panama City. In the Caribbean, Cubana has twice-weekly turboprop IL-18 flights to Kingston; one of the flights continues on to Barbados, Port of Spain, and Georgetown.

Cubana has few scheduled operations to Africa. Service at the present time is limited to a twice-weekly IL-62 flight between Havana and Luanda (with a stop-off at Cape Verde). In the past, occasional flights have been made to Luanda via either Conakry or Freetown. These flights have expedited the flow of Cuban military, technical, and general support personnel into the area of military confrontation. They first began on an unscheduled basis during the height of the Angolan war in 1975 and have since crystallized into a combination of regular and ad hoc service. The announced new service to Iraq would give recognition to this nation's ties to Soviet and Cuban aspirations both in the Middle East and on the African continent.

Aircraft Inventory

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Cubana's civil air fleet has been expanded and modernized over the past year by the purchase of four Soviet-built IL-62 jets* for longer haul international services. More recently, six YAK-40 trijets have been purchased for domestic service. Major transport aircraft in the Cubana inventory now include:

| <u>Type</u> | Number |
|--|-------------------|
| <u>Jet</u> | <u>10</u> |
| IL-62 YAK-40 | 4 6 |
| <u>Other</u> | <u>28</u> |
| IL-18 Bristol-Britannia IL-14 AN-24 | 4 4 11 9 |

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| MEXICO*: Recent petroleum discoveries in the southeastern states of Chiapas and Tabasco have catapulted Mexico into a prominent position in the world oil picture. No technical reason exists to prevent Mexican crude production from rising to about 5 million barrels per day by 1985, but production could be held down if an export market for the natural gas associated with increased levels of oil production cannot be found. The exact level of 1985 output, however, will be determined by a variety of technical, economic, and political considerations. | 25X1 |
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| ARGENTINA**: By the early 1990s, Argentina should be technically capable of exporting a complete nuclear power plant of the CANDU heavy-water, natural-uranium type, including ancillary fuel-fabrication services. If it exercises this capability, it will become the first LDC to join the small group of countries able to supply power reactors. India, the only other LDC with a chance of matching Argentina's export performance, has shown no inclination to do so. | 25X1 |
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